



**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
CATHEDRAL PINES METROPOLITAN DISTRICT
HELD FEBRUARY 26, 2020
AT 10:00 A.M.**

Pursuant to posted notice, the regular meeting of the Board of Directors of the Cathedral Pines Metropolitan District was held on Wednesday, February 26th at 10:00 a.m., at 13977 Milam Rd., Colorado Springs, CO.

In attendance were Directors:

Bill Heeter
Ecton Espenlaub
John Kelley
Lynn Shepherd

Also in attendance were:

Jamie Adams, Warren Management
Kevin Walker, Walker Schooler District Managers

1. Call to Order: President Heeter called the meeting to order at 10:00 a.m. after confirming a quorum was present.

2. Approval of the Agenda: The Board approved the Agenda.

3. Approval of Board Meeting Minutes – Special Meeting January 21, 2020 and February 6, 2020: President Heeter noted corrections to the January 21, 2020 meeting minutes. He requested clarification regarding the statement on management practices. Mr. Walker clarified that it would be Walker Schooler District Manager’s practices. He also noted the threshold that was discussed, and the Board agreed that the amount of the threshold was set at \$1,500. President Heeter clarified that he would take on the landscaping committee on an “interim basis” as stated in the minutes. President Heeter pointed out that a vote was taken and approved to allow Director Espenlaub to spend \$300 for solar lights. President Heeter noted corrections to the February 6, 2020 minutes. There was a misspelling of Director Cawlfeld’s name, and a grammatical issue. President Heeter moved to approve both the January 21, 2020 and February 6, 2020 Minutes as amended; seconded by Director Espenlaub. Motion passed unanimously.

4. Financial Matters:

- a. 2019 Financial adjustments: The Board postponed this item to next meeting.
 - Recast of Lodge Revenues Update
- b. Review of Unaudited Financial Statements as of January 31, 2020: Director Espenlaub discussed the costs in January and February were close to what the Board ended 2019 with no

tax revenues coming in. About \$10,000 in Lodge revenue helped keep funds in the checking account. Director Espenlaub wanted the Board to be aware that they should be ending a year with \$40,000 or \$50,000 to get through January, February and March until the tax revenue comes in. President Heeter noted the January financials show a net income of \$10,000. Mr. Walker noted there is about \$30,000 cash available as of today. Mr. Walker confirmed the funds should be received March 10, 2020 and will be reflected in the end of March financials.

- c. Approval of Payables for the Period Ending February 17, 2020: The Board postponed this item to next meeting.
- d. Update on FEMA reimbursement: Mr. Walker reported good news from FEMA. The State has completed their review and they have recommended to the national FEMA to fund just over \$101,000. Mr. Walker said the check will eventually be sent from the Federal government. Director Kelley asked about an agreement to pay Mr. Atkinson. Mr. Walker explained they did agree to pay him 5%, but they no longer owe it to him since it was contingent upon him doing the work which he did not complete. Director Kelley recommended recognition for whomever was responsible for getting that payment once the check is received. He discussed the benefits of the funds for the capital improvements in the District. President Heeter suggested deciding what will be done with the \$101,000 at the next meeting. He suggested putting a majority in capital reserves.
- e. Mr. Walker discussed that he has been talking with bond underwriter ratings, and they have decided to upgrade our bond rating from BA2 to BA1. It affects only the bondholders, who purchased them at BA2 get additional basis points to sell them on the marketplace.

5. Management Matters:

- a. Capital Funding General Discussion: The Board postponed this item to next meeting.
- b. Lodge – Lynn
 - Status of ADT changes/other projects: Mrs. Adams reported she and Director Espenlaub met with Olson Plumbing and who will be using heat to thaw both grease traps and make the repairs. The waste was also pumped out. The Board discussed the details of the repairs. Director Kelley reported the ADT changes are complete and the system is operating. The Board discussed the improvements to the network at the Lodge and allows full broadband access for guests. Director Kelley asked if the Board wants to designate who maintains the overall control of the security system, whether that be a board member or Mrs. Hoekman. He noted it is not an issue that has to be decided today. Director Shepherd asked about pavers. The Board discussed putting another layer of mulch for Spring.
 - 2020 Lodge Capital Improvement Plan: The Board postponed this item to next meeting.
 - 2020 Lodge Maintenance and Repair Plan: The Board postponed this item to next meeting.
 - Transition Plan: Director Kelley said that he felt that there was misconduct and possibly statute violations towards both CMPM and himself by Mr. Walker, Director Shepherd and President Heeter. He said the accusations contained in emails regarding the transitions are inaccurate and as CMPM and as a board member. Director Kelley requested to have the emails he received from Mr. Walker and from President Heeter, and his response as a part of the record and in the minutes of this meeting. Director Kelley said if there is not time to get to a common understanding today, he would like to recommend a special meeting.

Director Kelley stated it was not prudent and there was not a “forcing function” that should allow Mrs. Hoekman to perform as the Lodge Manager without a contract. Mr. Walker asked for a definition of a “forcing function.” Director Kelley said it is an emergency as in when they were working to recover Mrs. Atkinson resigning from the position and they had two weeks without a lot of option and a time delay between the contract. There might have been 10 days when they were performing without a signed contract with the District, in that situation that was an emergency because of events necessitated action leading the CMPM operating as Manager without a contract. Director Kelley said in this case he does not see an emergency or a forcing function, and there is a valid interim contractor with a contract in place and performing the responsibilities of Manager. He said this observation is shaped by his career in acquisition and contracting that the risk, although the probability is low the consequence is high, if something were to happen at an event or if the Gmail calendar is deleted since that is the heart of the database. Director Kelley said as a board member, he put a condition on some of the transition tasks that Mrs. Hoekman had to be on contract first. That has not happened and therefore he has not turned over the operation of the Lodge to Mrs. Hoekman. He said they have accomplished more than 2/3 of the transition tasks and there are a few remaining. 3 of them are dependent on the contract being executed. Director Kelley requested the Board votes on whether they turn over the operation of the Lodge and all the information without Mrs. Hoekman being under contract. He said he does not think that is prudent and as far as he knows, signing that contract should be imminent. He noted there are 2 events coming up, one on Saturday which the Board will have to decide who will support and the other event is on March 22nd. Director Kelley said another part of Mr. Walker’s email that he was concerned about was the attachment terminating the contract with CMPM. Director Kelley said he was not aware of any board vote to that effect and he does not believe that any individual board member or district manager has the authority to unilaterally enter into or cancel an existing contract with the District. Director Kelley said he asked that Mr. Walker rescind that letter because in his view it is invalid. Director Kelley added that it is appropriate to have a termination letter as Mrs. Hoekman takes over, but there should be a board vote. Director Kelley noted the contract terms and conditions and from that vote there is a 10-day period until the contract is over. Director Kelley discussed that he would like a special meeting to see which perspective is correct and move forward with that understanding. He discussed the near-term issue of who will be responsible for the event on Saturday. Director Kelley said in his discussions with Mrs. Hoekman, was that CMPM was going to take the lead and she was welcome to attend and observe. He added that if the Board voted today to turn over operation of the Lodge with no other transition, then Mrs. Hoekman would be responsible for the event on Saturday with no assistance or help from CMPM. Director Kelley said he has gone through the transition tasks with Mrs. Hoekman one by one, and if information in the response that he sent to President Heeter and Director Shepherd. Director Kelley said he thinks the root cause of these

challenges has been the inability of Director Shepherd and Mr. Walker to get Mrs. Hoekman under contract, and the elements of that contract were all in place in the middle of November effective with the RFP release.

President Heeter stated that it was not complete, and he had specifically asked for changes to the contract. Director Kelley said he is not aware of what the modifications were, and he didn't need to know during the competition, but he does need to know now. He discussed not having the contract done after 3 months and how that is a major issue for not turning over the Lodge. Director Shepherd asked if that is a major issue for him as CPM or as a board member. Director Kelley replied it is an issue for him as a board member. Director Shepherd said she is getting confused trying to separate Director Kelley as the interim contractor and, at the same time, as a board member. President Heeter asked if Director Kelley was making decisions on behalf of the entire Board. Director Kelley stated that he made that pretty clear in his response and in terms of being on contract is as a board member, and repeated that there is no board vote that he is aware of that allows Mrs. Hoekman to perform as the Lodge Manager without a contract. Director Kelley said it is a difference of perspective between 2 board members. Mr. Walker confirmed the contract is done and it just needs signatures.

Director Kelley said he would like to see the compensation plan of the contract to review before the contract is signed. Director Kelley asked if the board had taken a vote on these 2 issues before. President Heeter said no and there was never a joint conversation, but he has had individual conversations with Mr. Walker, Director Espenlaub and Director Shepherd and he knows their thinking which he communicated to Director Kelley. President Heeter said Director Kelley ignored that. Director Kelley said he did not ignore it he just had a different perspective. President Heeter said he had specifically asked Director Kelley to do certain things and he chose not to do them or follow through in what he asked him to do in the email last Friday. He said that Director Kelley made a decision contrary to the direction the President of the Board gave, and it was communicated back to him by other board members. President Heeter stated that individual board members do not get to make decisions on behalf of the entire Board. Director Kelley said he agrees. President Heeter said Director Kelley decided on behalf of the entire Board not to follow the direction he was given. Director Kelley said President Heeter gave direction unilaterally without Board approval. President Heeter said no he didn't because he spoke to all board members individually. President Heeter discussed the perception by Director Kelley that there were secretive meetings and votes going on is a misperception because it did not happen. President Heeter discussed the ridiculous amount of time and costs that this issue has caused because of having to go through attorneys and engage Mr. Walker. He said that the decisions were made a month ago to turn the Lodge management over immediately and it is on Director Shepherd and Mrs. Hoekman to see that the transition goes well or not. President Heeter said it is not Director Kelley's role and he has not been asked to control the turnover and dictate

the terms when he is comfortable to do so. That is the problem here.

Director Shepherd said she understands the need to have the contract signed, but she also believes part of the transition is allowing Mrs. Hoekman to have the tools to begin to set up her own way of doing things. Director Shepherd explained that Director Kelley's methods and the requirements he perceives as being the benchmarks of handing things over other than the contract being signed, Mrs. Hoekman may not do it that way. She has her own business and methods that will be working together with the Lodge, and Director Kelley's items seem overly burdensome and condescending as if she didn't know what she was doing. Director Shepherd confirmed the Board would not have offered her the position if they didn't think she was ready to take on the role which is what she was trying to convey in her email. Director Shepherd said she feels Mrs. Hoekman has a handle on it and they have communication procedures in place. She feels confident they are ready to move forward. Director Shepherd said she feels some of the items such as the website development and marketing became overly complicated when it didn't need to be. Director Kelley said the 13 items are transition tasks that must be completed and are not conditions. President Heeter asked if she really had to go through two 3-hour orientations. Director Shepherd discussed that Mrs. Hoekman has been professional and has decided to wait until she can do it her way and Director Shepherd agrees that she has already met the criteria. Director Kelley discussed how the transition period is critical and he did not receive a transition plan from Mrs. Hoekman or anyone else. Director Shepherd discussed that Mrs. Hoekman has a full grasp on how to run an event business. Director Shepherd noted there may be root issues that the Board will need to discuss such as the way they communicate with each other.

President Heeter asked if the Board votes to terminate CMPM's contract, they would have 10 days so would they be obligated to manage Saturday's event. Director Kelley said the plan was for CMPM to support the event. Director Shepherd asked Director Kelley why CMPM can't handle the event on Saturday and Mrs. Hoekman starts building the website.

President Heeter moved to have CMPM turn over all the Lodge information to Mrs. Hoekman by the end of the day Friday with the assumption that the contract will be signed; seconded by Director Espenlaub. Director Kelley recused himself from the vote. Motion passed 3-0 with one abstention.

President Heeter moved to terminate the CMPM contract with the notification effective 10 days from today; seconded by Director Shepherd. Director Kelley recused himself from the vote. Motion passed.

Director Kelley confirmed that CMPM will support the event on Saturday and Mrs. Hoekman is invited. Director Espenlaub asked if there is a way to back up the Gmail Calendar or email, since that was a concern of Director Kelley's. Director Shepherd said it is on the cloud and it could be recovered by Google. Director Espenlaub noted the risk seems to be reduced if it is

backed up in the cloud. Director Kelley noted there is no file structure in the Gmail account and suggested saving a backup.

Director Espenlaub said he feels they made the decision three weeks ago to transfer Lodge management to Mrs. Hoekman. Three weeks have been squandered in transitioning. Director Espenlaub noted concerns with Director Kelley's email and his comments on the book of contracts that he said was "our book of contracts". He asked if it includes both past and future contracts. Director Kelley said no, and explained it is copies of contracts and receipts for 2020 events that were provided to CPM and those that were sent to WSDM. CPM created the hard copy book as a backup to the Google calendar and it shows which payments were received. Director Espenlaub said his concern was whether "ours" meant CPM or Cathedral Pines Metro District. Since there were 2 events in February and 1 in March, it made more sense to have CPM make copies of those 3 events and give Mrs. Hoekman the book than to expect her to make a copy of the entire book. Director Espenlaub said he felt the Board authorized Mrs. Hoekman to do the job and there was nothing in the motion saying pending the signing of contract. If the "our" is CPM, then that needs to be discussed because that needs to be transferred. If the "our" is Cathedral Pines Metro District, then he doesn't understand why Director Kelley did not give Mrs. Hoekman the book. Director Kelley said the information belongs to the District and Mr. Walker is the keeper of that information. CPM took that information and built a hard copy book for CPM. He said the book was offered to Mrs. Hoekman to copy and she declined. Director Espenlaub requested that if Mrs. Hoekman does not want the book, then it is given to Mr. Walker. Director Kelley said he cannot turn over the book until they turn complete responsibility over because they use it every day. Director Kelley discussed that the three weeks was not wasted, and they have transferred 2/3 of the transition tasks. Director Espenlaub discussed that he thought Mrs. Hoekman would be doing the marketing by now. He noted the motion that was passed did not include the statement of pending contract, and Director Kelley should have come to the Board with his concern.

c. Trails/Community Maintenance – Ecton

- Plan to eliminate MVEA meters: Director Espenlaub reported he ordered one of the lamps and it is backordered to March 14th. He will let the Board know once it is installed so they can see it. President Heeter asked what the lumens are compared to what is installed now. Director Espenlaub explained currently there are some 40W and 100W bulbs, and the new bulbs would be equivalent to 35W and 300 lumens on bright, and on dim they are half of that, about 20W. He will initially put it on the 20W to see how it looks. He noted there is a circuit breaker on each one, and there is a light with 2 circuit breakers that he is trying to determine what it is for. The Board discussed it may be for a solar collector for gate, so may need to notify a resident. Director Espenlaub reported that a resident noticed after work on a light indicator, the 4040 sign is not working correctly. Director Kelley asked about the monthly charge on meters that are not being used.

Director Espenlaub said he thinks those meters are currently running lights and they are just so low because of the LED bulbs. Director Kelley complimented the new sign at Fox Chase and Mill Haven and asked if they are intending to act against the party who damaged the previous sign. Mr. Walker noted there has not been any action taken yet because it is not enough for an insurance claim. Director Espenlaub noted he does not have receipts for the repairs because he used parts the District already had. Mr. Walker said they could make an estimate.

- Spring Priority projects: Director Espenlaub discussed the retention pond on Saunderton and that they are putting a trail across the top. He checked with an engineer and they told him the key is the height of the spillway. Director Espenlaub explained the details of building the trail. Director Espenlaub discussed the plan for the drainage channels and erosion. Director Espenlaub noted a request to remove the construction fence by the retention pond that has been there for a while that he will take care of. Mrs. Adams noted a property line issue by the retention pond. Director Espenlaub noted that pond is the one that needs the culvert repairs. The Board discussed the need to determine where the property line is. Director Espenlaub estimated \$2,000 for the trail projects.
 - Recruit Scout Troops for trail maintenance/clean up: Director Espenlaub noted he was not exactly sure what to use the Scouts for. The Board discussed having them replace the bridges. President Heeter noted the Scouts love projects like this because they get points.
 - Dog Waste Pick up stations – Discussion: President Heeter said he doesn't have enough information on this yet, but he wanted to find out if there is a need for dog waste pickup stations, but he hasn't received a ton of feedback yet but from what he has heard there may not be a need.
- d. Landscaping, Irrigation and ponds – Jamie, Bill (interim): Mrs. Adams reported they are meeting with A Cut Above and Mr. Cawlfeld on March 3rd at 11:00 a.m.
- Meet with contractor to discuss invoicing, suspended projects, 2020 plan:
- d. Disposition of Storage Shed – Bill: President Heeter discussed the storage shed uses and a plan for it. Director Kelley said he doesn't mind taking this task on and there may be potential for the shed.
- e. Metro District Website Update: Mr. Walker reported the website is scheduled to be moved to a new platform, but the State is behind on migrating it over. Director Kelley requested additional documents on the website such as the amended service plan and election results.
- f. Solicitation for Open Board Position: Mr. Walker reported they sent out another blast email for the open board position. The Board discussed there is currently one candidate.

6. Legal Matters: There was no discussion.

7. New Business: The Board discussed scheduling a special meeting to go over issues surrounding board member communication. The Board scheduled a special meeting for March 10th at 12:00 p.m.

Director Kelley discussed taking down the Ring cameras. Mr. Walker said he could buy them back and use them for other districts. Director Kelley noted issues with the 2019 Lodge revenues. Mr.

Walker confirmed they will have that worked out by the next meeting. Director Kelley requested the last bill from Stratus IQ to make sure the discounts were put in. Director Kelley asked about the Magnolia check. Mr. Walker noted it needs to be corrected.

8. Public Comment: There was no public comment.

9. Other Business: Next Regular scheduled Board Meeting March 17, 2020.

10. Adjournment: Director Espenlaub moved to adjourn; seconded by Director Shepherd. Motion passed unanimously at

Respectfully Submitted,

By: Kevin Walker, District Manager

THESE MINUTES ARE APPROVED AS THE OFFICIAL FEBRUARY 26, 2020 MINUTES OF THE CATHEDRAL PINES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Bill Heeter, President

Lynn Shepherd, Vice President

Ecton Espenlaub, Treasurer

John Kelley, Director

VACANT, Director